

Global study identifies success factors to improve daily travel

Visa, in collaboration with Stanford University, launched one of the largest global studies examining the growing demand for public and private transportation, and the important role digital commerce plays in driving sustainable growth.



According to the UN, by 2050, 68% of the world's population will live in urban centres – and the number of “megacities” with populations greater than 10 million people will rise from 43 today to 51 within that same period. South Africa is no different, with the majority of the country relying heavily on the public transport system.

In fact, according to the General Household Survey (GHS) for 2018, a total of 54,209,000 minibus/taxi trips take place in South African per month.

Building on Visa's experience working with transit operators, automotive companies and technology start-ups, Visa commissioned a global study, *The Future of Transportation: Mobility in the Age of the Megacity* to better understand the challenges commuters face today and in the future. The key findings were combined with a view of existing and near horizon innovations provided by experts at Stanford University, to better understand the technology gaps in addressing their pain points.

The South African perspective

Payments lie at the heart of every form of travel and will continue to become more integral as more cities move to contactless public transportation, digital payments for parking and rental services such as bikes or scooters.

Malijeng Ngqaleni, deputy director-general of the South African Inter-governmental Relations, states that as high as 60% of South African households spend on average of 20% of their monthly income on transport, while in rural areas this number can be as high as 31%.

Within the Visa study, it was found that the use of cash only payments was frustration for 38% of Johannesburg commuters and 37% of Cape Town-based commuters.

Another commuter frustration when paying for public transport has been long queues – 67% of Johannesburg commuters and 64% of Cape Town commuters.

Over the last few years, a number of mobile-driven taxi-hailing apps have been launched in the South African market to counteract these concerns and commuters are open to the possibilities presented by mobile apps. The Visa study echoed this by showing that 77% of Johannesburg commuters and 76% of Cape Town commuters would be willing to try a consolidated app to make payments for public transport.

Mike Lemberger, SVP, Product Solutions Europe, Visa explains, “The future success of our cities is intertwined with – and reliant on – the future of transportation and mobility. Visa and our partners have an important role to play, both in streamlining the payment experience for millions of commuters around the globe, and supporting public transportation authorities in their quest to build sustainable and convenient transportation solutions that improve the lives of the people who use it.”

Herman Donner, PhD and Postdoctoral Researcher from Stanford University, co-authored the report and in summary says, “When looking across the technology landscape, there already exist many products that could easily address people’s daily frustrations with travel. However, none of these solutions should be developed in isolation. A major challenge, therefore, lies in first identifying relevant technologies that provide suitable products for the market then managing implementation in conjunction with a broad set of stakeholder including mobility providers, technology companies, infrastructure owners and public transport agencies. From our research, we think that many of these small, incremental changes have the potential to make a significant difference in people’s daily travel, whether it’s to help find parking, get the best price to refuel their car or plan their journey on public transportation.”

The study reflects the feedback of 19,000 consumers in 19 countries and identified significant challenges faced by growing urban centres.

Download [The Future of Transportation: Mobility in the Age of the Megacity](#) report (PDF File. 857KB)